

OUTCOMES for Subcommittee No. 3: March 25, 2004

(Please reference the Subcommittee Agenda in tandem with these outcomes.)

A. 0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY page 2

Issue: budget proposes \$2.1 million (\$0 General Fund) and 13.2 positions for the Secretary.

Action: Approved as budgeted

Vote: 4 - 1 (*Aye:* Chesbro, Cedillo, McPherson and Ortiz; *No:*McClintock)

B. 7100 EMPLOYMENT DEVELOPMENT DEPARTMENT page 3

1. Unemployment Insurance Administration page 3

Issue: budget provides a \$20.8 million augmentation from the EDD Contingent Fund to offset a reduction in federal funds and maintain current level of funding for UI administration.

Action: Approved as budgeted

Vote: 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

2. Unemployment Insurance Benefit Payment Control page 3

Issue: budget provides \$12.6 million from the Benefit Audit Fund to offset a reduction in federal funds and maintain funding for UI benefit payment control activities at the current level.

Action: Approved as budgeted.

Vote: 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

3. Job Services Program page 4

Issue: budget provides \$16.1 million from the Employment Development Department Contingent Fund to partially offset a loss in federal Act funds to the Job Service program.

Action: Approved as budgeted.

Vote: 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

DISCUSSION ITEMS:

1. Unemployment Insurance Automation Improvements page 4

Issue: Last year, the Legislature provided a \$85 million augmentation in Reed Act dollars to fund automation improvements that will increase EDD's capacity to detect and control fraud.

Action: Informational item. No action taken.

2. Workforce Investment Act page 5

Issue: budget does not provide an expenditure plan for the federal WIA discretionary funds. LAO recommends denial of expenditure authority until a plan is submitted to the Legislature.

Action: Adopted the LAO recommendation. Directed LAO to work with Subcommittee staff and Administration to consider the feasibility of funding the Conservation Corps with WIA funds.

Vote: 5 - 0 (*Aye:* Chesbro, Cedillo, McClintock, McPherson and Ortiz)

C. 7350 DEPARTMENT OF INDUSTRIAL RELATIONS

page 7

VOTE ONLY ITEMS

1. Uninsured Employers Fund and Subsequent Injuries Fund Administration **page 7**

Issue: budget reinstates 63 positions and \$1.1 million in funding to continue DIR administration of the Uninsured Employers Fund and the Subsequent Injuries Fund.

Action: Kept issue open.

ITEMS FOR DISCUSSION

1. LAO Option – Consolidate complaint investigations within DIR **page 7**

Issue: LAO provides an option for consolidating complaint investigations within the Division of Labor Standards Enforcement for savings of \$1.7 million.

Action: No action at this time on the LAO recommendation.

2. Implementation of Workers' Compensation Reforms **page 8**

Issue: Subcommittee requested that the DIR provide an update on the implementation status of worker's compensation reforms and discuss efforts to assure necessary staffing and funding is available to implement reforms and realize workers' compensation savings.

Action: Requested that DIR work with DOF and legislative staff to develop a reform implementation plan, including a timetable and the necessary staff and resources, including clerical staff, judges and analysts, to implement reforms in a timely manner.

3. Industrial Welfare Commission **page 8**

Issue: budget provides \$235,000 General Fund for the Commission.

Action: Eliminated funding for the Commission. Directed Subcommittee staff to work with the Administration and the LAO to assess potential workload outside the Commission's control such as work associated with litigation, and to develop options to address this workload.

D. 8955 DEPARTMENT OF VETERANS AFFAIRS

VOTE ONLY ITEMS

1. Alcohol Dependency Treatment Program **page 10**

Issue: budget proposes to eliminate the substance abuse residential treatment program at Yountville for savings of \$450,000 and a reduction of 6 positions.

Action: Approved as budgeted.

Vote: 5 - 0 (Aye: Chesbro, Cedillo, McClintock, McPherson and Ortiz)

2. Security Contract - Chula Vista

page10

Issue: budget proposes to reduce the current security contract for the Veterans Home in Chula Vista from two officers to one officer per shift for savings of \$224,000.

Action: Approved as budgeted.

Vote: 5 - 0 (*Aye:* Chesbro, Cedillo, McClintock, McPherson and Ortiz)

3. Consolidation of Veterans Home Distributed Administration

page10

Issue: budget proposes to shift 41 positions and \$3.4 million in funding from individual homes to the department for administrative activities.

Action: Kept the issue open pending development of an administration plan by the Department and justification of why the positions are needed at headquarters.

ITEMS FOR DISCUSSION

1. Quality Assurance Oversight

page10

Issue: budget proposes to redirect 6.0 positions and \$670,000 from individual Veterans Homes to the Department of Veterans Affairs for program oversight and quality assurance activities.

Action: Kept the issue open pending development of an administration plan by the Department and justification of why the positions are needed at headquarters.

2. Contract for Food Services and Security Functions

page11

Issue: budget proposes a \$569,000 reduction in General Fund support and the elimination of 120 positions currently providing food and security services at the Yountville home.

Action: Kept issue open.

3. Morale, Welfare and Recreation Fund

page12

Issue: budget proposes legislation to require that funds derived from the estates of deceased members be used as reimbursement to the Veterans Home General Fund appropriation for savings of \$1.35 million in the budget year.

Action: Rejected the Administration's proposal. Adopt placeholder trailer bill language to require councils to develop an expenditure plan for the funds. Directed staff to consider alternative reductions to realize the \$1.35 million in General Fund savings assumed in the budget.

Vote: 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)